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SUBJECT: SPAIN: A BEACON OF ECONOMIC OPPORTUNITY

REF: LA PAZ 2383

¶1. (U) Summary: For many Bolivians, Spain is a beacon of economic opportunity. Newspapers highlight an upsurge in travel, airlines report full flights to Madrid, and business owners say skilled craftsmen are increasingly seeking work abroad. Bolivians' desire to escape may reflect growing political and economic uncertainty at home. End summary.

¶2. (U) Anecdotal and statistical evidence suggests that for many Bolivians, Spain is a beacon of economic opportunity. September 28 newspapers highlighted an upsurge in travel, claiming that the number of people leaving for Madrid has "quadrupled" since early September, when Spain's Minister of Labor and Social Affairs, Jesus Caldera, reportedly expressed support for a European Commission proposal to require Schengen visas from Bolivian citizens (reftel). Spanish Vice President Maria Teresa Fernandez de la Vega also raised the issue during her August trip to Bolivia. Observers speculate that fear of more restrictive entry requirements may be prompting some Bolivians to make the trip sooner rather than later.

¶3. (SBU) Bolivian airlines report full flights to Madrid - from now until December. According to Jimmy Phillips, Regional Sales Manager for Aerosur, one of Bolivia's principal domestic carriers, soaring demand led the airline to increase the number of weekly flights from two to three; within a fortnight, executives decided to add two more weekly flights from early October. Aerosur's major competitor, Lloyd Aereo Boliviano, Bolivia's national carrier, will also fly five times a week from next month; Lloyd Chief Executive Franklin Taendler told Econoff September 28 that demand was unprecedented, even with prices as high as \$1,500 to \$1,600 per ticket.

¶4. (U) Business owners, meanwhile, say skilled craftsmen are

increasingly seeking work abroad. An owner of a small furniture manufacturer told the Charge September 23 that employees frequently stayed just long enough to learn the trade before leaving to look for better opportunities and higher wages in Spain, where they believed their skills would be in high demand and jobs relatively easy to find. Airline executives report that Spanish immigration authorities refuse only 5 percent of the estimated 2,100 people who apply for entry each week.

15. (SBU) Comment: Bolivians' desire to escape may reflect not only their fear of tighter entry requirements, but also growing political and economic uncertainty at home. As Bolivians lose faith in the GOB's ability to provide jobs, some no doubt start to look outward - and Spain, with its healthy economy, stable politics, and common language, is increasingly one of Bolivians' preferred destinations. End comment.

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